

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TRANSFER OF CERTAIN WATER	)	
DISTRIBUTION FACILITIES, SERVING	)	
70 RETAIL CONSUMERS, BY CITY OF	)	CASE NO. 98-053
WILDER TO NORTHERN KENTUCKY	)	
WATER SERVICE DISTRICT, AS A	)	
MUTUAL CONVENIENCE TO THESE	)	
ADJOINING WATER SYSTEMS	)	

O R D E R

On January 20, 1998, Northern Kentucky Water Service District ("Northern KY Water") filed a motion requesting the Commission to either disclaim jurisdiction of or approve the transfer of a certain section of the City of Wilder's water distribution system containing 70 customers to Northern KY Water. This transfer is by contract between Northern KY Water and the City of Wilder dated December 19, 1997 which agreement describes the area to be transferred as Portion 1. Included in Portion 1 are all water lines, fire hydrants and related appurtenances and easements owned by the City of Wilder.

It appears from the application filed herein and the response to the data request of the Commission filed March 20, 1998 that Northern KY Water has operated this portion of the City of Wilder's system by contract and that the tariff of Northern KY Water has been in effect for Portion 1 for several years. Northern KY Water presently serves approximately 59,000 retail customers and has a gross plant valued at over \$120,000,000. The Commission finds that Northern KY Water has the financial, technical, and managerial ability to provide reasonable service. KRS 278.020(4).

This is a transfer of part of the operating facilities and customers of a non-jurisdictional utility (City of Wilder) to a jurisdictional utility (Northern KY Water). Upon the transfer of a part of the operations of one company to another company, 807 KAR 5:011, Section 11(1), requires the new operating company to file with the Commission an Adoption Notice, adopting, ratifying and making its own all rates, rules, classifications and administrative regulations of the old operating company. However, in this case Northern KY Water cannot adopt the rates, rules, and regulations of a non-jurisdictional utility. This is also coupled with the fact that the portion to be transferred has been subject to Northern KY Water's tariff since 1983.<sup>1</sup> The Commission finds that an Adoption Notice is not required to be filed in this case. 807 KAR 5:011, Section 11(1) and Section 14.

IT IS THEREFORE ORDERED that:

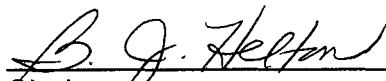
1. The request of Northern KY Water for the approval of the transfer of Portion 1 as contained in the Agreement dated December 19, 1997 is granted.
2. An Adoption Notice is not required to be filed in this case.
3. Northern KY Water shall notify the Commission upon the completion of the transfer.

---

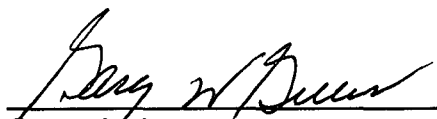
<sup>1</sup> See Northern KY Water's Response to the Commission's March 5, 1998 Order filed March 20, 1998.

Done at Frankfort, Kentucky, this 7th day of April, 1998.

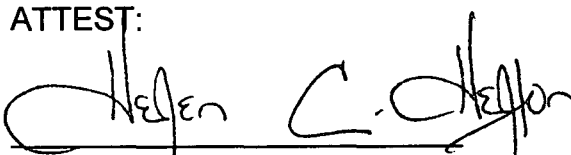
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director